

HOUSE BILL REPORT

E2SSB 5560

As Passed House - Amended:

April 16, 2009

Title: An act relating to state agency climate leadership.

Brief Description: Regarding state agency climate leadership.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Swecker, Brown, Hargrove, Pridemore, Marr, Kilmer, Rockefeller, Kauffman, Haugen, Eide, Hobbs, Kohl-Welles, Jarrett, Fraser, Jacobsen and Murray).

Brief History:

Committee Activity:

Ecology & Parks: 3/20/09, 3/24/09 [DPA];
Ways & Means: 4/4/09 [DPA(WAYS w/o EPAR)].

Floor Activity

Passed House - Amended: 4/16/09, 60-37.

Brief Summary of Engrossed Second Substitute Bill (As Amended by House)

- Requires all state agencies to meet statewide greenhouse gas emission reduction limits.
- Requires all state agencies to report their estimated greenhouse gas emissions and the strategies taken to reduce their greenhouse gas emissions.
- Requires the Governor to designate an existing position as the single point of accountability for all energy and climate change initiatives within state agencies.
- Requires the state agencies to develop strategies to reduce fuel consumption and emissions from all classes of vehicles.
- Requires all state agencies, beginning in 2010, to consider when distributing capital funds whether the entity receiving the funds has adopted policies to reduce greenhouse gas emissions.
- Requires the Department of General Administration to do performance monitoring and provide a report to the Legislature on each building that has had an energy audit and capital improvements made in the last 5 years.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- Prohibits state agencies from purchasing small scale gasoline and diesel fueled equipment when electric and battery alternatives are available on the market unless the agency's administrative official waives the prohibition.
- Requires the departments of Ecology, Agriculture, Community, Trade, and Economic Development, Fish and Wildlife, Natural Resources, and Transportation to develop an integrated climate change response strategy.
- Allows state agencies to consult with qualified nonpartisan experts from the scientific community as needed to assist with developing an integrated climate change response strategy.

HOUSE COMMITTEE ON ECOLOGY & PARKS

Majority Report: Do pass as amended. Signed by 8 members: Representatives Uptegrove, Chair; Chase, Dickerson, Dunshee, Eddy, Finn, Hudgins and Morris.

Minority Report: Do not pass. Signed by 5 members: Representatives Short, Ranking Minority Member; Kretz, Kristiansen, Orcutt and Shea.

Staff: Jaclyn Ford (786-7339)

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Ways & Means and without amendment by Committee on Ecology & Parks. Signed by 14 members: Representatives Linville, Chair; Ericks, Vice Chair; Cody, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Priest, Seaquist and Sullivan.

Minority Report: Do not pass. Signed by 6 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Ross and Schmick.

Staff: Owen Rowe (786-7391)

Background:

Greenhouse Gas Emissions Reductions.

Washington is required to meet the following statewide greenhouse gas (GHG) emission reductions:

- by 2020 reduce overall GHG emissions in the state to 1990 levels;
- by 2035 reduce overall GHG emissions in the state to 25 percent below 1990 levels; and
- by 2050 reduce overall GHG emissions in the state to 50 percent below 1990 levels, or 70 percent below the state's expected GHG emissions that year.

Reporting.

Owners or operators of a fleet of on-road motor vehicles that emit at least 2,500 metric tons of direct GHG emissions annually in the state, and a source or combination of sources that emit at least 10,000 metric tons of direct GHG emissions annually in the state, must report their total annual GHG emissions beginning in 2010 for their 2009 emissions.

Adaptation.

Preparation and Adaptation Working Groups (PAWGs) were established in 2007 to assist the Department of Ecology (DOE) and the Department of Community, Trade and Economic Development (DCTED) in developing recommendations for the Governor on how Washington can prepare and adapt to the impacts of climate change.

The DOE and the Departments of Agriculture (WSDA), Health, and Natural Resources (DNR) led PAWGs that examined climate change impacts, and identified preparation and adaptation strategies and additional research needs. The PAWGs made their recommendations to the Climate Advisory Team (CAT) in December 2007, and have not been reconvened.

Summary of Amended Bill:

State Agency Emission Reductions.

All state agencies must meet the following statewide GHG emission reduction limits:

- by July 1, 2020, reduce GHG emissions by 15 percent from 2005 emission levels;
- by 2035, reduce GHG emissions to 36 percent below 2005 levels; and
- by 2050, reduce GHG emissions to 57.5 percent below 2005 levels, or 70 percent below the expected state government GHG emissions that year.

By June 30, 2010, all state agencies must report their estimated GHG emissions for 2005 to the Department of Ecology (DOE), including their 2009 levels of GHG emissions and projected GHG emissions through 2035. State agencies may use data such as building space occupied, electricity usage, motor vehicle fuel purchased, and miles driven to develop the estimates.

By June 30, 2011, each state agency must submit to the DOE a strategy to meet the required GHG emissions reductions. The strategy must address employee travel activities, teleconferencing alternatives, and include existing and proposed actions, a timeline for reductions, and recommendations for budgetary and other incentives to reduce GHG emissions.

By October 1 of each even-numbered year beginning in 2012, each state agency must report to the DOE the actions taken to meet the GHG emission reduction targets under the strategy for the preceding fiscal biennium. The DOE must cooperate with the GA and the Department of Community, Trade and Economic Development to develop consolidated reporting methodologies that incorporate GHG emission reduction actions taken across state agencies.

Beginning in 2010, and every two years thereafter, the DOE must report to the Governor and to the Legislature the total state agencies' GHG emissions for the preceding two years and the actions taken to meet the GHG emissions reduction targets.

Accountability.

The Governor must designate a person as the single point of accountability for all energy and climate change initiatives within state agencies. All agencies, councils, or work groups with energy or climate change initiatives must coordinate with this designee.

Fuel Economy Standards.

The Director of the GA, in consultation with the Office of Financial Management (OFM) and other state agencies, must develop strategies to reduce fuel consumption and emissions from all classes of vehicles. State agencies must use these strategies to:

- phase in fuel economy standards for motor pools and leased vehicles to achieve an average fuel economy standard of 36 miles per gallon for passenger vehicle fleets by 2015;
- achieve an average fuel economy of 40 miles per gallon for light duty passenger vehicles purchased after June 15, 2010; and
- achieve an average fuel economy standard of 27 miles per gallon for light duty vans and sport utility vehicles purchased after June 15, 2010.

Beginning October 31, 2011, state agencies must report annually on their progress toward meeting their strategies to reduce fuel consumption.

The GA, in consultation with the OFM and other state agencies, must develop a separate fleet fuel economy standard for all other classes of vehicles and report the progress made toward meeting the fuel consumption and emissions goals to the Governor and Legislature by December 1, 2012.

Average fuel economy calculations must be based upon the current U.S. Environmental Protection Agency composite city and highway mile per gallon rating.

Vehicles excluded from the agency fleet average fuel economy calculation include: emergency response vehicles, passenger vans with a gross vehicle weight of 8,500 pounds or greater, vehicles that are purchased for off-pavement use, and vehicles that are driven less than 2,000 miles per year.

Integrated Climate Change Response Strategy.

The DOE, the Washington Department of Fish and Wildlife (WDFW), the DCTED, the WSDA, the DNR, and the Washington Department of Transportation (WSDOT) must develop an integrated climate change response strategy to better enable state and local agencies, public and private businesses, nongovernmental organizations, and individuals to prepare for, address, and adapt to the impacts of climate change. The integrated climate change response strategy should be developed, where feasible and consistent with the direction of the strategy, in collaboration with local government agencies with climate change preparation and adaptation plans.

The DOE must serve as a central clearinghouse for relevant scientific and technical information about the impacts of climate change on Washington's ecology, economy, and society, as well as serve as a central convener for the development of vital programs and necessary policies to help with adaptation.

The integrated climate change response strategy should address the impact of and adaptation to climate change, as well as the regional capacity to undertake actions, existing ecosystem and resource management concerns, and health and economic risks. In addition, the integrated climate change response strategy should include a range of scenarios for the purposes of planning in order to assess project vulnerability and reduce expected risks and increase resiliency to the impacts of climate change.

Initial Climate Change Response Strategy.

By December 1, 2011, the DOE must compile an initial climate change response strategy, including information and data from the WDFW, the DCTED, the WSDA, the DNR, and the WSDOT that: (1) summarizes the best known science on climate change impacts to Washington; (2) assesses Washington's vulnerability to identified climate change impacts; (3) prioritizes solutions that can be implemented within and across state agencies; and (4) identifies recommended funding mechanisms and technical resources for implementing solutions.

Initial Climate Impacts Assessment.

The DOE, in collaboration with the WDFW, the DCTED, the WSDA, the DNR, and the WSDOT must complete an initial climate impacts assessment report that includes the status of the integrated climate change response strategy and provide it to the Legislature by December 1, 2012.

Consultation with Scientific Community.

The DOE, WDFW, the DCTED, the WSDA, the DNR, and the WSDOT may consult with qualified nonpartisan experts from the scientific community as needed to assist with developing an integrated climate change response strategy.

The qualified nonpartisan experts from the scientific community may assist the DOE on: (1) identifying the timing and extent of impacts from climate change; (2) assessing the effects of climate variability and change in the context of multiple interacting stressors or impacts; (3) developing forecasting models; (4) determining the resilience of the environment, natural systems, communities, and organizations to deal with potential or actual impacts of climate change and the vulnerability to which a natural or social system is susceptible to sustaining damage from climate change impacts; and (5) identifying other issues, as determined by the DOE, necessary to develop policies and actions for the integrated climate change response strategy.

Adaptation Plans of Action.

State agencies must strive to incorporate adaptation plans of action as priority activities when planning or designing agency policies and programs. Agencies must consider: (1) the integrated climate change response strategy when designing, planning, and funding infrastructure projects; and (2) incorporating natural resource adaptation actions and alternative energy sources when designing and planning infrastructure projects.

Performance Monitoring.

The Department of General Administration (GA) must perform energy performance monitoring from July 2009 to July 2011 on each building that has completed an energy audit

and installed energy conservation measures within the last 5 years and report to the Legislature on the cost of the energy conservation measures, the projected energy savings, and the actual energy savings realized.

Small-Scale Power Tools.

State agencies are prohibited from purchasing small-scale powered equipment if the market offers an alternate item that is powered by an electrical cord or rechargeable battery. The top administrative official of a state agency may waive this prohibition on a case-by-case basis if the top administrative official of the agency publishes a finding in the Washington State Register explaining the details as to why the purchase or use of the small-scale powered equipment was necessary and why the use of an electric-based alternative would have been impractical.

As a demonstration, the GA must suspend the use of all spark ignition push lawnmowers, string trimmers, and leaf blowers on the capitol campus by October 1, 2009. The GA must document its transition from small-scale powered equipment to electrical or manual alternatives to aid other state agencies.

"Small-scale powered equipment" means a tool or other non-road or marine machine powered by a gasoline, diesel, or propane spark ignition engine that has a standard manufacturer's listed horsepower rating of 50 horsepower or less. Examples of the term "small-scale powered equipment" include, but are not limited to, the following items when the components of the definition are satisfied: lawnmowers, string trimmers, leaf blowers, air compressors, chainsaws, turf equipment, and lawn and garden tractors.

Funding.

Beginning in 2010, when distributing capital funds through competitive programs for infrastructure and economic development projects, all state agencies must consider whether the entity receiving the funds has adopted policies to reduce GHG emissions. Agencies also must consider whether the project is consistent with:

- the state's limits on GHG emissions;
- statewide goals to reduce annual per capita vehicle miles traveled by 2050, except that the agency must consider whether project locations in rural counties will maximize the reduction of vehicle miles traveled; and
- applicable federal emissions reduction requirements.

Null and Void Clause.

If specific funding for the purposes of this act, referencing this act by bill or chapter number is not provided by June 30, 2009 in the omnibus appropriations act, this act is null and void.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void if not funded in the budget.

Staff Summary of Public Testimony (Ecology & Parks):

(In support) The state must lead by example. This bill puts forth a plan of action for state agencies. This bill makes quite a dent on what Washington can accomplish on energy efficiency. The state should prove that Washington can attain reductions in GHG emissions. There are great economic and social benefits for implementing this bill.

(In support with amendments) Fifteen percent reductions in GHG emissions is approximately 1990 levels. There could be some changes to the miles per gallon language to help clarify which targets each class of vehicles should attain.

(Neutral) This bill will not require leased buildings to conduct energy audits.

(Opposed) None.

Staff Summary of Public Testimony (Ways & Means):

(In support) None.

(With concerns) Water and sewer districts do not have the tools to address the greenhouse gas reductions required by section 4; section 4 should be removed in order to allow districts to be competitive. State agencies should not be determining whether local governments are implementing greenhouse gas reduction policies.

(Neutral) State agencies can conduct energy audits through the GA's program; it is a performance-based program, so the energy audits have no up-front costs to the state agencies. The contractor is paid with the reduced cost from the energy savings. The fiscal note does not assume savings from energy audits; there will be long-term savings from energy audits.

(Opposed) None.

Persons Testifying (Ecology & Parks): (In support) Senator Ranker, prime sponsor; Bill Robinson, The Nature Conservancy; and Heath Packard, Department of Natural Resources.

(In support with amendments) Kathleen Drew, Office of the Governor.

(Neutral) Stuart Simpson, Department of General Administration.

Persons Testifying (Ways & Means): (With concerns) Scott Hazelgrove, Washington Association of Sewer and Water Districts; and Josh Weiss, Washington Association of Counties.

(Neutral) Anne Criss, Washington State Department of Transportation.

Persons Signed In To Testify But Not Testifying (Ecology & Parks): Craig Partridge, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.